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Report of the Secretary-General on the United Nations operation in Cyprus

I. Introduction

1. The present report on the United Nations Peacekeeping Force in Cyprus (UNFICYP) covers developments from 19 December 2015 to 24 June 2016 and brings up to date, since the issuance of my report dated 6 January 2016 (S/2016/11), the record of activities carried out by UNFICYP pursuant to Security Council resolution 186 (1964) and subsequent Council resolutions, most recently resolution 2263 (2016).

2. As at 15 June 2016, the strength of the military component stood at 861 for all ranks and the strength of the police component stood at 68 (see annex).

II. Significant political developments

3. The Greek Cypriot leader, Nicos Anastasiades, and the Turkish Cypriot leader, Mustafa Akıncı, have continued to engage in settlement talks with dedication and perseverance. As I reported previously (S/2016/15), and following an agreement in the latter half of 2015 to increase the pace of the negotiations, the leaders continued to meet regularly during the reporting period, on average twice a month, while their respective negotiators and their teams met more frequently, often three times per week. The sides have also continued to work steadily at the level of experts, both in various working Groups and technical committees.

4. In a joint statement made on 15 May 2016 to mark one year of their negotiations, the leaders reiterated their determination to show the necessary will and courage to overcome the remaining outstanding issues. They also underlined their commitment to intensify their efforts in the coming months with the aim of reaching a comprehensive settlement agreement within 2016. More details are to be found in my report on the status of negotiations in the Cyprus settlement talks.

III. Activities of the United Nations Peacekeeping Force in Cyprus

5. UNFICYP is intended first and foremost to prevent a recurrence of fighting and to contribute to the maintenance of law and order and a return to normal

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conditions. Its mandate requires reconciling security considerations and the maintenance of the military status quo with allowing Cypriots who live and work in the buffer zone to pursue civilian activities and enjoy full and productive lives. Such an approach, when successful, builds confidence between communities and contributes to the overall effort by the United Nations in support of the peace process.

6. Further to discussions in October 2015 between my Under-Secretary-General for Peacekeeping Operations, Hervé Ladsous, and both leaders and between my Special Adviser, Espen Barth Eide, and my Special Representative, Lisa Buttenheim, and the leaders and negotiators, UNFICYP has, in close collaboration with my mission of good offices, continued its planning in preparation for any post-settlement role assigned to the United Nations in support of the peace process. Both sides have consistently expressed that they are in favour of a timely settlement. The challenges anticipated in the early days of a settlement, including any possible support from the United Nations, are yet to be discussed in depth.

A. Prevention of a recurrence of fighting and maintenance of the military status quo

7. The integrity and stability of the buffer zone was maintained throughout the reporting period. Regular UNFICYP patrols, detailed observation, sustained liaison at all levels and clear efforts to strengthen relationships with the opposing forces allowed the Force to avoid any significant escalation of disputes. Indeed, there has been an overall decrease in instances of ill-discipline on both sides.

8. At the same time, challenges to the authority of UNFICYP in the buffer zone continued. These are rooted in the non-recognition by both opposing forces of the 1989 aide-memoire and, in particular, in a lack of agreement on the exact delineation of ceasefire lines. Ongoing refurbishment and reconstruction of military positions contrary to the aide-memoire by both sides continued to cause concern, in particular when they were perceived as conferring a military advantage or were not accompanied by the deconstruction of old positions. Any delay or failure to deconstruct old positions, for example in the Kokkina pocket and in the centre of Nicosia along the Green Line, has the potential to encourage reciprocal activity, with a corresponding increase in tension.

9. The installation and prevalence of closed-circuit television equipment at positions that remain manned is a concern. The view of UNFICYP remains that closed-circuit television equipment installed at a position confers a military advantage unless it is unmanned. In addition, military positions established by both forces inside the buffer zone that violate the status quo, in particular at Strovilia, remain in place and are classified as permanent violations. The United Nations continues to hold the Government of Turkey responsible for the status quo in Varosha.

B. Demining activity

10. Following up on demining work carried out in the previous reporting period, UNFICYP planned for the clearance of the five dangerous areas in the north

identified during the survey of the 28 minefield locations released by Mr. Anastasiades to Mr. Akıncı in May 2015 as part of leader-to-leader confidence-building measures. With funding included in the UNFIYCP 2016/17 budget, technical expertise from the United Nations Mine Action Service will be embedded in the mission and the clearance work contracted to a civilian demining organization.

11. With respect to the minefield just north of the buffer zone in Mammari, which caused the mine-wash in 2015 as a result of heavy rains, no progress was registered on the clearance of the minefield despite assurances by the Turkish Cypriot security forces. Nor has progress been made in clearing the four known remaining minefields in the buffer zone, of which three belong to the National Guard and one to the Turkish forces. While the Turkish Cypriot side has indicated that it would accept the clearance of all four areas as a package, the Greek Cypriot side maintains the position that its three minefields are required to counter a perceived threat. Efforts continue at all levels to advance a more comprehensive approach to demining, both inside and outside the buffer zone.

C. Restoration of normal conditions and humanitarian functions

12. UNFICYP police maintained daily communication with police forces to enhance liaison and cooperation in addressing operational matters within and beyond the buffer zone. In parallel to such daily liaison, UNFICYP continued to facilitate the work of the Technical Committee on Crime and Criminal Matters and the Joint Communications Room. The latter facilitated the exchange of more than 100 requests for information during the reporting period with a view to solving crimes with intercommunal elements.

13. UNFICYP continued to face challenges to its authority throughout the reporting period, which saw 491 reported unauthorized incursions into the buffer zone, including 54 by Greek Cypriot hunters, who were often armed, and 99 by farmers. In anticipation of the hunting season, UNFICYP police intensified its liaison with local authorities and intelligence-led patrolling, including joint patrols with UNFICYP military and game wardens.

14. The Dhenia mosque inside the buffer zone in sector 1 suffered extensive damage when its roof burned as a result of an arson attack on 21 February 2016. Both leaders immediately condemned the attack in separate statements. The mosque had previously been vandalized, in January 2013, and had just been restored through the Technical Committee on Cultural Heritage programme in December 2014 with the support of the United Nations Development Programme (UNDP) and funding from the European Union. No arrests were made. With respect to the events of 18 November 2015, during which two vehicles belonging to Turkish Cypriots were targeted by Greek Cypriot youths throwing stones, some 25 students were charged with various offences in relation to the incidents during the reporting period. UNFICYP will continue to follow the judicial proceedings.

15. Pursuant to its mandate to contribute to a return to normal conditions, UNFICYP continued to engage with the respective authorities, local community representatives and civilians, including through regular outreach meetings, to facilitate civilian activities in the buffer zone in accordance with established procedures. UNFICYP allowed farming, grazing and construction activities,

provided those activities did not compromise safety and security in the area. To that end, the mission issued more than 621 permits and approved all 15 applications for civilian construction in the buffer zone. UNFICYP also cooperated with the authorities to reduce unlawful activities such as dumping and tree-cutting in the buffer zone, in consultation, as appropriate, with relevant environmental services. The university in Pyla continues to operate without UNFICYP authorization.

16. From January to 31 May, 951,081 official crossings of the buffer zone were recorded. UNFICYP continues to play an important role with regard to all interactions at, around or through crossing points. In particular, UNFICYP police continued to provide escorts for convoys of civilians and supplies at the Limnitis/Yeşilırmak crossing point, in accordance with the agreement reached by the leaders in October 2010.

17. Beyond the buffer zone, UNFICYP continued to provide humanitarian support for 332 Greek Cypriots and 103 Maronites residing in the north, including through weekly deliveries of humanitarian assistance. UNFICYP facilitated the post-mortem transfer of six Greek Cypriots for burial in the north. The Force also continued to provide logistical support to and visit the Greek Cypriot primary and secondary schools on the Karpas Peninsula. Of 124 textbooks for the Rizokarpaso elementary and secondary schools, 6 were rejected by the Turkish Cypriot authorities. While a Greek Cypriot nurse provided services at a local clinic in the Karpas Peninsula, the request for a Greek-speaking doctor to attend to the health needs of elderly Greek Cypriots remained outstanding. The mission continued to engage with local authorities to ensure access to health-care, welfare and educational services for Turkish Cypriots residing in the south. There were no developments regarding the establishment of a Turkish language school in Limassol, although Turkish-speaking pupils in the area continued to have access to Turkish language classes at a high school and primary school.

18. UNFICYP assisted in addressing the legal and humanitarian issues faced by three Greek Cypriots detained in the north and one Turkish Cypriot in the south through visits to the facilities where they were held. To enhance confidence in the judicial proceedings, UNFICYP attended two court hearings in the south.

19. UNFICYP continued to facilitate contacts between the Nicosia municipal offices to promote cooperation, including through 12 joint meetings to develop projects to address environmental, social and health issues affecting both sides. UNFICYP also provided support to representatives of the Nicosia Master Plan, a bicommunal mechanism established in 1979 to address urban issues in old town Nicosia, in their efforts to restore and protect Nicosia's multicultural heritage and to build a vibrant and prosperous future for the historic old town, although there was no tangible progress on proposed infrastructure projects during the reporting period.

20. With a view to fostering bicommunal cooperation and reconciliation, UNFICYP supported 66 sporting, cultural, educational and other civil society events as well as preparatory meetings in cooperation with local civil society and, in some cases, international partners, in which more than 5,285 individuals participated. On 14 May, more than 200 Greek Cypriot and Turkish Cypriot children and young people participated in a bicommunal festival that was held inside the buffer zone as the culmination of two previous "culture of peace" educational training activities.

21. In addition, the Ledra Palace Hotel was host to some 93 bicommunal gatherings with more than 2,874 participants, including six meetings of Greek Cypriot and Turkish Cypriot political party representatives under the auspices of the Embassy of Slovakia.

22. The Cyprus Chamber of Commerce and Industry and the Turkish Cypriot Chamber of Commerce continued to promote confidence between the two communities; a second round of their bicommunal internship programme will begin in September 2016. In 2015, 12 Greek Cypriots and 12 Turkish Cypriots were placed with companies based in the other community.

23. Religious and commemorative events, in the north for Greek Cypriots and in the south for Turkish Cypriots, permit Cypriots to continue traditional religious practices and, in some cases, provide important opportunities for interaction between members of the communities. UNFICYP facilitated the participation of more than 15,000 persons at some 50 religious services and commemorative events, which were either conducted in the buffer zone or required crossing the buffer zone, including at two newly accessible sites for worship in the north, namely, the Maronite Church of St. Anne in Famagusta and the Cypriot Church of St. John the Baptist in Argaki. In addition to the religious services described above, on 23 December 2015, UNFICYP facilitated the crossing of nearly 1,000 pilgrims from the north to the Hala Sultan Tekke mosque in Larnaca.

24. In May, the Turkish Cypriot authorities proposed policy changes that, if implemented, would lead to a reduction in approvals for religious services in the north of the island. In an effort to ensure continued access to religious sites, my Special Adviser and Special Representative intervened in support of access to all religious sites and a continued increase in the number of religious services conducted by Greek Cypriots in the north. UNFICYP will continue to monitor this issue closely and to advocate for freedom of worship for people of all faiths across the island.

25. The religious leaders of Cyprus continued their dialogue and joint efforts. On 10 February, they reiterated their full support to the negotiations for a settlement of the Cyprus problem through a statement to the press calling for the further easing of restrictions on freedom of religion, including improved access to destroyed or neglected places of worship and cemeteries in need of repair. In March, the religious leaders delivered the first jointly signed letter to the leaders, outlining their expectations in a settlement, with regard to the administration of properties belonging to religious institutions.

26. Following the sustained engagement on Cyprus issues by the Special Rapporteur on freedom of religion or belief, the religious leaders made their second joint presentation, at the Human Rights Council meeting in Geneva in March 2016; and at a parallel meeting, hosted by the Permanent Mission of Sweden to the United Nations in Geneva, they jointly highlighted their cooperative efforts for the realization of religious freedom or belief across the island. Issues relating to freedom of worship were also raised by the Special Rapporteur in the field of cultural rights, who visited sites of cultural importance in Cyprus between 24 May and 2 June and held meetings with a wide range of interlocutors.

27. During the reporting period, as part of its contribution to confidence-building measures and their implementation, UNFICYP continued to facilitate the work of

eight technical committees (on broadcasting, cultural heritage, crime and criminal matters, crisis management, crossings, environment, health and humanitarian affairs). Of particular note, the Technical Committee on Crime and Criminal Matters held a seminar on federal policing on 17 February. Both communities have been disappointed by delays in progress on the opening of the two new crossings at Lefka-Aplici/Lefke-Aplıç and Deryneia/Derynia.

28. UNFICYP, my mission of good offices and UNDP also worked closely with the Technical Committee on Gender Equality. As part of an ongoing series of gender-related panel discussions, the Technical Committee hosted a panel discussion on how women make peacebuilding better on 10 March to mark International Women's Day, with the facilitation of UNFICYP and my mission of good offices. The Technical Committee also met with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) Regional Director for Europe and Central Asia during her visit to Cyprus on 5 and 6 May. The Regional Director encouraged active participation by women in politics, peacebuilding and governance and voiced her support for bicommunal cooperation on the preparation of an action plan for the implementation of Security Council resolution 1325 (2000).

29. UNDP, with strong support from the European Union, continued working closely with the Technical Committee on Cultural Heritage and the Technical Committee on Crossings. During the reporting period, work on three cultural heritage sites in the walled city of Famagusta progressed, while other large projects, such as Agios Panteleimonas and Apostolos Andreas, are expected to be completed by the end of 2016. UNDP also facilitated guided tours to ongoing heritage conservation projects, while the Technical Committee on Cultural Heritage raised awareness of ongoing works through presentations and media appearances. On 15 and 16 April, more than 200 people from both communities participated in an event to mark the International Day for Monuments and Sites.

30. Progress on the implementation of confidence-building measures agreed to and announced by the leaders in 2015 has been mixed. The lifting of a requirement to fill in administrative forms at crossing points was immediately implemented and considerable progress in demining was made in 2015. While initial work was carried out around agreed new crossing points and on the interconnectivity of electricity grids, no progress has been made on the interoperability of mobile telephones to date.

IV. Conduct and discipline and sexual exploitation and abuse

31. Between 20 December 2015 and 17 June 2016, two category 1 allegations were reported and referred for investigation. Neither of the allegations are related to sexual exploitation and abuse; during the reporting period, there were no reports of category 2 allegations. It is notable that the total number of allegations in 2015-2016 is lower than in 2013-2014, when 14 allegations were reported, of which 4 were category 1 (including 2 unsubstantiated allegations of sexual exploitation and abuse) and 10 were category 2.

32. The UNFICYP Conduct and Discipline and Sexual Exploitation and Abuse Working Group continued to monitor, on a quarterly basis, compliance with the sexual exploitation and abuse plan of action adopted by the mission, which was

designed to implement specific actions to prevent acts of sexual exploitation and abuse by mission personnel, and to strengthen reporting mechanisms and assistance provided to victims of sexual exploitation and abuse. On 4 February 2016, UNFICYP established a Sexual Exploitation and Abuse Standing Task Force to serve as the expert body in the mission providing guidance on operational and strategic sexual exploitation and abuse matters.

33. Training is at the core of the activities carried out by UNFICYP to raise awareness of the United Nations standards of conduct and to emphasize the Secretary-General's policy of zero tolerance, zero complacency and zero impunity for acts of sexual exploitation and abuse. During the reporting period, a total of 13 training sessions relating to conduct and discipline and sexual exploitation and abuse were conducted, in which 619 military personnel and 38 United Nations police personnel participated.

V. Committee on Missing Persons

34. On 20 December 2015, the leaders visited the laboratory of the Committee on Missing Persons and recorded an appeal calling on all Cypriots to provide information to the Committee on possible burial sites. The appeal was shown island-wide on television during the first weeks of 2016. As at 15 June, out of a total of 2,001 persons on the official list of missing persons, the bicommunal teams of archaeologists of the Committee had exhumed the remains of 1,112 missing persons on both sides of the island. To date, the remains of 643 individuals have been identified and returned to their respective families, including those of 18 individuals during the reporting period. Since the beginning of 2016, the Committee has started to accelerate its excavations in military areas in the north. In line with the permission received in November 2015, the Committee has thus far excavated 4 of the 10 military sites planned for 2016. On several occasions during the reporting period, the Committee relied on advice from UNFICYP experts on how to mitigate risks posed by unexploded ordinance encountered during excavations.

VI. Financial and administrative aspects

35. The General Assembly, by its resolution 70/273, appropriated the amount of $54.8 million for the maintenance of the Force for the period from 1 July 2016 to 30 June 2017, inclusive of the voluntary contribution of one third of the net cost of the Force, equivalent to $18.4 million, from the Government of Cyprus and the voluntary contribution of $6.5 million from the Government of Greece. Should the Security Council decide to extend the mandate of UNFICYP beyond 31 July 2016, the cost of maintaining the Force would be limited to the amounts approved by the General Assembly.

36. As at 22 June 2016, unpaid assessed contributions to the special account for UNFICYP amounted to $16.4 million. The total outstanding assessed contributions for all peacekeeping operations as at that date amounted to $2,202.5 million.

37. Reimbursement of troop costs has been made for the period up to 30 April 2016, while reimbursement of the costs of contingent-owned equipment has been made for the period up to 31 March 2016, in accordance with the quarterly schedule.

VII. Observations

38. The leaders demonstrated courage and perseverance during the reporting period and made genuine progress through their constant engagement. I urge them to redouble their efforts in the months to come if they are to meet their stated aim of reaching a comprehensive settlement within 2016.

39. At the same time, I am concerned about the lack of progress in the implementation of some confidence-building measures, which were previously agreed upon and announced by the leaders as a sign of their mutual commitment on 28 May 2015. Mobile phone interoperability, interconnectivity of electricity grids and the opening of the two crossings at Lefka-Aplici/Lefke-Aplıç and Deryneia/Derinya, despite initial progress, have not materialized. I urge the leaders to implement all agreed measures in good faith and without delay. Such measures can be instrumental in building a conducive environment for the negotiations as they can have a positive and concrete impact on the everyday lives of Cypriots and indicate that an alternative future is possible and within reach.

40. In line with the leaders' joint affirmation in November 2015 against racism and hatred, in which they condemned the assault of two Turkish Cypriots by Greek Cypriot youths throwing stones and stated that such acts would not go unpunished, I welcome the reports that legal proceedings are under way. A swift conclusion of the case will send the right signal that such acts will not be tolerated now or in a future united Cyprus.

41. Demining remains an important measure to build confidence. As I stated in my previous report, I remain concerned at the delays in the clearance of the minefield adjacent to the ceasefire line near Mammari and urge that the clearance be carried out as swiftly as possible to avoid another mine-wash incident in the area. With the acceleration of the talks, it is all the more important that the two sides engage and take concrete steps without further delay towards island-wide demining. Early clearance would also allow greater freedom of movement in the event of a settlement and around and across the current buffer zone. Minefields on the island have little military value and serve only to pose a risk to life. The case for clearing all minefields on the island could not be more compelling. I urge everyone to work towards a mine-free Cyprus.

42. As in previous reports, I continue to call upon both community leaders to exert efforts to create a climate conducive to achieving greater economic and social parity between the two sides and to widen and deepen economic, social, cultural, sporting or similar ties and contacts, including with a view to encouraging trade. Such contacts promote trust between the communities and help to address the Turkish Cypriots' concerns regarding isolation. I urge both leaders to persist in addressing those issues.

43. I commend the ongoing dialogue among the leaders of the religious communities, whose joint efforts foster greater understanding and reduce mistrust. I urge both sides to support that dialogue by ensuring that the trend continues towards full access for worship to the more than 500 churches and other places of worship in the north and the some 100 mosques in the south. Similarly, I encourage the sides to fully engage civil society in the ongoing process, with a view to fostering grass-roots support for a solution. In particular, I urge all actors to increase the participation of women at all levels and to incorporate a gender perspective in their

efforts to reach a sustainable peace in Cyprus pursuant to Security Council resolution 1325 (2000).

44. The United Nations remains committed to supporting the vital humanitarian work being carried out on behalf of the families of victims through the Committee on Missing Persons. In the light of the advanced age of both relatives and witnesses, it is critical that the Committee be given the means and the information required to accelerate its work.

45. The role of UNFICYP in maintaining a conducive environment in which the negotiations can take place remains of paramount importance for the overall success of the process. This role includes pre-empting and responding in a timely and efficient manner to civilian, law and order and military-related issues that arise on a daily basis in and around the buffer zone and encouraging bicommunal activities to rebuild trust and cooperation. I call upon both sides to support these two aspects of the UNFICYP mandate, namely, to act decisively towards all who engage in activities not authorized by the Force, thus showing respect for its authority in the buffer zone, and secondly, to support the mission's efforts to bring both communities together to address issues of mutual concern.

46. Once again, I urge the sides to formally accept the aide-memoire of 1989, without which there will be repeated contestation of the United Nations delineation of the ceasefire lines. The ability of UNFICYP to play its role in maintaining a stable environment depends by and large on the commitment of the two sides to refrain from challenging the authority, legitimacy and impartiality of the Force in the buffer zone.

47. While acknowledging that closed-circuit television cameras can help to monitor illegal activity in the buffer zone and thus contribute to improved security in the area, such installations confer a military advantage and constitute a violation of the status quo if unaccompanied by a reduction in military personnel. I therefore strongly encourage steps towards a permanent reduction in the military presence and posture along the ceasefire line, starting in those positions that have been enhanced with closed-circuit television cameras, and particularly in the militarized area within the Venetian walls of old town Nicosia.

48. As noted earlier and in the light of positive developments on the ground and the request of the Security Council in its resolution 2263 (2016), UNFICYP, in coordination with my mission of good offices, has continued transition-planning in relation to a settlement. This process has highlighted a number of issues that will require timely consideration by the parties and the Security Council in terms of the support that may be required in a post-settlement phase. Indeed, among other issues, the limited ability of UNFICYP to deliver appropriate support to a settlement at the current Force levels and configuration, and the lead time for force and police generation, need to be duly taken into account. Mindful of the foregoing, I urge both sides to engage more fully and, as future partners, with each other, as well as with UNFICYP and my good offices mission, on issues relating to the implementation of a settlement. Equally important will be the strong support of the international community. This planning will continue to be guided by developments in the negotiations and the views of the sides.

49. I recommend that the mandate of the mission be extended for a period of six months, until 31 January 2017. I express my gratitude to the 34 countries that have

now contributed either military or police personnel or both to the mission since 1964. I pay tribute to the 186 peacekeepers who lost their lives during that period in support of peace in Cyprus. It is incumbent upon all parties to work in a determined manner towards a comprehensive settlement, to which all Cypriots aspire and which would obviate the continuing need for a peacekeeping presence.

50. I would like to express my appreciation to Lisa Buttenheim, who concluded her assignment with UNFICYP on 10 June, for her dedicated service over almost six years as my Special Representative in Cyprus and Head of Mission. As Deputy Special Adviser, Ms. Buttenheim directly supported the talks in addition to leading the Force's support to my mission of good offices.

51. I would like to thank the UNFICYP Force Commander, Major General Kristin Lund, for her service. Major General Lund will leave UNFICYP at the end of July, after two years of outstanding service, as the first female force commander in the United Nations, a milestone in peacekeeping history.

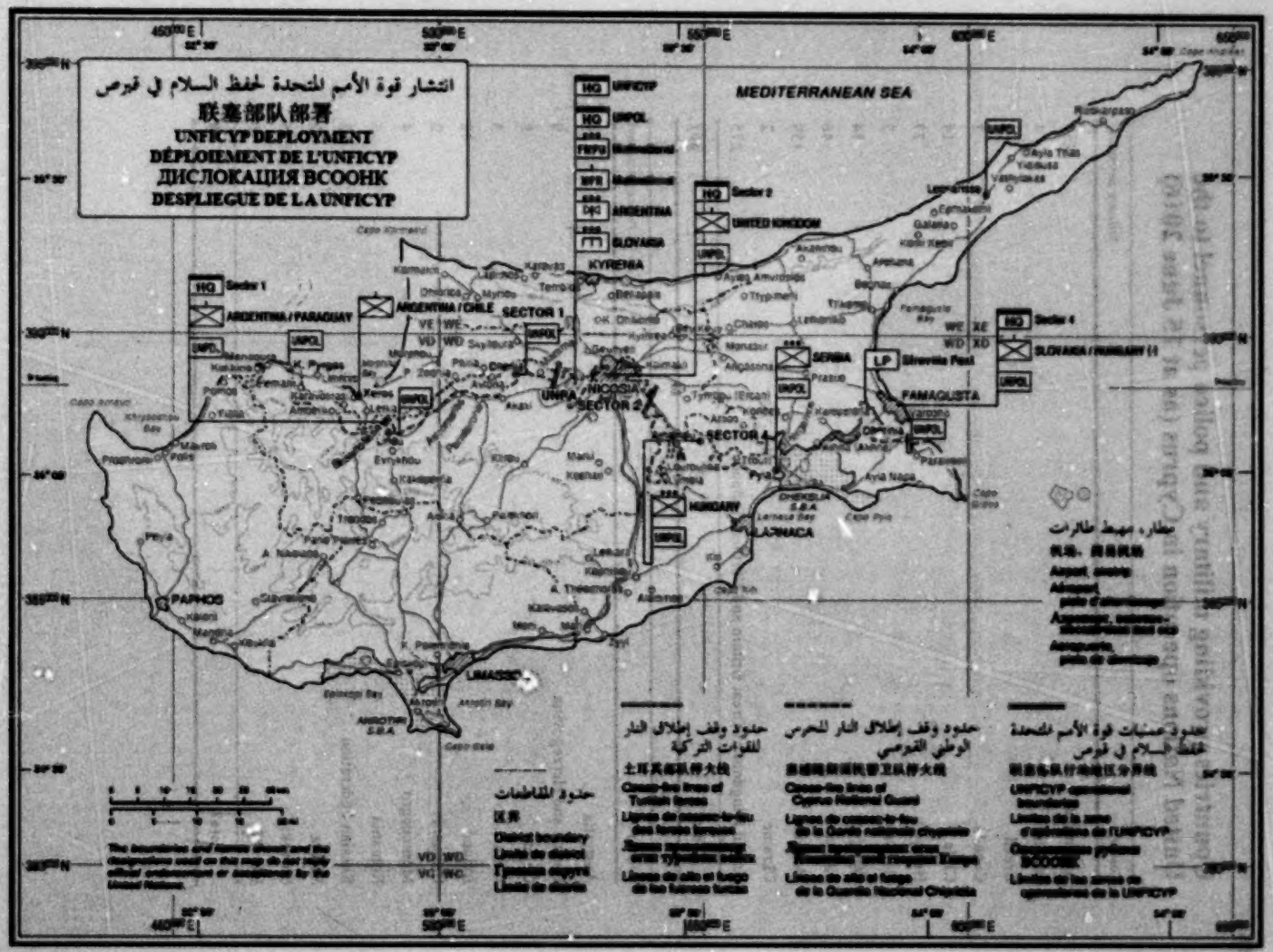
52. I would also like to welcome Elizabeth Spehar, who arrived on the island in June to take up her position as my Special Representative and Head of UNFICYP. Lastly, I extend my thanks to all the men and women serving in UNFICYP for the efficiency and commitment with which they have discharged the responsibilities entrusted to them by the Security Council. I also express my appreciation to my Special Adviser, Espen Barth Eide, for his efforts to facilitate the talks between the sides.

Annex

Countries providing military and police personnel to the United Nations operation in Cyprus (as at 15 June 2016)

Country	*Military personnel*
Argentina	265
Austria	4
Brazil	2
Canada	1
Chile	14
Hungary	77
Norway	2
Paraguay	14
Serbia	46
Slovakia	159
Ukraine	2
United Kingdom of Great Britain and Northern Ireland	275
Total	**861**

Country	*Police personnel*
Australia	9
Bosnia and Herzegovina	9
China	6
India	5
Ireland	12
Lithuania	2
Montenegro	4
Romania	5
Russian Federation	3
Serbia	2
Slovakia	5
Ukraine	6
Total	**68**



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Report of the Secretary-General on his mission of good offices in Cyprus

I. Introduction

1. The present report on my mission of good offices in Cyprus covers developments from 23 December 2015 to 30 June 2016. It focuses on the record of activities carried out by my good offices mission under the leadership of my Special Adviser, Espen Barth Eide, regarding the fully fledged negotiations between the Greek Cypriot and Turkish Cypriot leaders. In its resolution 2263 (2016), the Security Council welcomed the progress of the leaders-led negotiations so far and the ongoing efforts to reach a comprehensive and durable settlement, and it encouraged the sides to grasp the current opportunity with determination to secure a comprehensive settlement.

II. Background

2. In my previous report (S/2016/15), I noted that the sides had engaged in the negotiations with a problem-solving approach and that their leaders had taken positive steps toward translating their common vision of a united Cyprus into concrete progress and strategic compromises on a number of key issues. At the same time, I also recognized that further work remained.

3. During the reporting period, the Greek Cypriot leader, Nicos Anastasiades, and the Turkish Cypriot leader, Mustafa Akıncı, continued to pursue their efforts to achieve a mutually acceptable and sustainable comprehensive settlement on the basis of relevant Security Council resolutions as well as the Joint Declaration adopted by the sides on 11 February 2014. Since May 2015, when the current round of talks between the two leaders began, Mr. Anastasiades, and Mr. Akıncı have systematically engaged in this leader-led process and have reiterated their resolve and genuine desire to reach a solution to the Cyprus problem, underscoring on many occasions the economic benefits and wider opportunities that a viable and sustainable solution would bring to both communities.

4. For the first time, I met Mr. Akıncı and Mr. Anastasiades together on 21 January 2016, on the margins of the annual meeting of the World Economic Forum, in Davos, Switzerland. On that occasion, I held a very comprehensive discussion with them on the state of play in the talks. I commended them for their efforts and leadership. I recognized that significant progress had been made but also

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that a number of sensitive and difficult issues remained. I therefore encouraged them to continue to work tirelessly towards finding a comprehensive solution to the Cyprus issue as soon as possible, for the benefit of all Cypriots.

III. Status of the process

5. Since my previous report, in January 2016, the two leaders have maintained a steadfast commitment to the process. They have continued to engage in person in extensive discussions on a wide range of issues across the chapters under negotiation. During the reporting period, they met on average twice a month, holding a total of 14 meetings, while their negotiators met as many as three times per week, for a total of more than 40 meetings over the past six months. More importantly, the pace and regularity of the meetings have continued to be accompanied by a serious and determined effort to move the process forward, even if, at times, the issues on the table proved to be complex and challenging.

6. As noted in my previous report, the sides have focused mostly on four of the six chapters under negotiation, namely, governance and power-sharing, property, economy and European Union matters. Through their sustained engagement, the leaders have achieved further progress on a range of issues, particularly those related to governance and power-sharing, including citizenship and property. They also continued to conduct extensive negotiations on the economy chapter and maintained their common vision to negotiate a settlement that would be in line with European Union principles, translating this into various understandings and convergences.

7. In a joint statement issued on 15 May 2016 to mark the first anniversary of their talks, the leaders expressed their satisfaction with the essential progress that had been achieved during a year of intensive negotiations. They reiterated that, although there were still difficulties and differences, they were determined to show the necessary will and courage to overcome outstanding issues. Importantly, the leaders underlined their commitment to intensify their efforts in the coming months with the aim of reaching a comprehensive settlement agreement in 2016.

8. Building on that statement, the leaders issued another statement on 8 June in which they announced that they had agreed to intensify the negotiations and to start meeting twice a week, beginning 17 June 2016, to work to resolve outstanding issues in an agreed structured manner.

9. During the first two meetings of the intensified phase, held on 17 and 23 June, the leaders worked thoroughly on topics related to the governance and power-sharing chapter. In particular, building on the framework set out in the Joint Declaration of 11 February 2014, as well as on work conducted by their negotiators over the past months, they reached additional convergences on the list of federal competences and further clarifications on issues related to treaty-making powers and coordination and cooperation between the future federal Government and the constituent States.

10. In the course of the reporting period, the leaders, their respective negotiators and teams of experts worked particularly intensively on the property chapter. Taking into consideration the framework announced on 27 July 2015, in which the leaders had agreed that the individual's right to property would be respected and that there

would be different alternatives for the regulation of the exercise of that right, the sides initially held the negotiations on property on the basis of their respective position papers and materials. Following detailed, serious and, at times, difficult discussions, they were able to formulate a joint paper on property. While divergences remain and are recorded in the joint paper, it is important to note that this is the first time in the talks that the sides negotiate this critical chapter on the basis of a joint document. The sides have focused in particular on such issues as the categories of affected properties, definitions, criteria, and the composition and functioning of the Property Commission, which will be mandated to resolve property claims. Notwithstanding the rich discussions and important understandings reached on this chapter, further work will be needed in the crucial weeks ahead to iron out the remaining divergences. On 8 June, the leaders included the issue of property among those to be worked on during the forthcoming period of intensified negotiations.

11. In the past, the sides had reiterated that the issue of security and guarantees would be discussed at a later stage in the process, owing to its international dimension. Nevertheless, during the first months of the current round of talks in 2015, the sides held initial discussions on internal aspects of security, namely, policing arrangements for a united federal Cyprus. Some divergences on this topic remain and, on 8 June, the leaders agreed to include it as one of the issues to be addressed during their period of intensified negotiations.

12. In late January 2016, the leaders agreed to embark on four technical workstreams in support of the negotiations: work to better prepare the future Turkish Cypriot Constituent State for the implementation of the European Union acquis upon entry into force of the settlement agreement, work with the international financial institutions, drafting of the constitution and the federal laws and planning for implementation. While work on the first two is progressing, drafting of the constitution and planning for implementation have yet to begin in earnest.

13. A significant feature of the current round of talks has been the recognition by the leaders of the importance of having the principles and values upon which the European Union is founded upheld and embedded in the comprehensive settlement, whilst respecting its bizonal and bicommunal character.

14. During the reporting period, increasing technical support has been provided by the European Union under the auspices of the United Nations. The Bicommunal Ad Hoc Committee on European Union Preparation, which was set up during the previous reporting period, continued to channel activities pertaining to the implementation of the European Union acquis in the future Turkish Cypriot constituent State.

15. On 4 February 2016, the two negotiators, Andreas Mavroyiannis and Özdil Nami, carried out an unprecedented joint visit to the European Commission headquarters in Brussels in order to request an intensification of the European Union technical assistance provided within the framework of the activities carried out by the Bicommunal Ad Hoc Committee. In a clear expression of support and encouragement, the European Commission President, Jean-Claude Juncker, met the negotiators jointly during their visit.

16. During the reporting period, 13 technical workshops on European Union matters were held under the auspices of the United Nations. They were led by visiting teams of experts from the European Commission, in coordination with the Personal Representative of the President of the European Commission and his team, who are based at the Office of the Special Adviser on Cyprus. The workshops were agreed on and prepared jointly with the Bicommunal Ad Hoc Committee. They covered a broad range of issues, including food safety and animal and plant health, the introduction of the euro, the free movement of goods, public procurement, the common agricultural policy, fundamental rights, data protection, banking supervision, federal education and training systems, qualifications, the free movement of workers, social policy and employment.

17. In recent months, expert groups have also proliferated in relation to the economic aspects of the talks. The working group on economy has appointed a number of sub-bodies, including expert groups on value added tax, revenue allocation, central bank issues, the euro roll-out and deposit insurance. These groups and subgroups have been meeting with increasing regularity in the past months. In addition, regular discussions about the financing of a settlement have been held by expert groups as well as at the leaders' and negotiators' levels.

18. During the reporting period, international financial institutions, including the International Monetary Fund and the World Bank, engaged in an accelerated programme of work in support of the two sides carried out under the auspices of the United Nations. This engagement stemmed from the leaders' request to my Special Adviser to seek expert technical assistance with the aim of supporting the two communities in finding sustainable solutions to economic issues in a post-settlement Cyprus, as noted in my previous report. European Union bodies are also supporting the process in this area, with regular coordination and support in relation to the financial aspects of the European Union acquis and euro zone requirements provided by European Commission and European Central Bank experts.

19. The work of the international financial institutions has been twofold: first, to assist the two sides in how best to structure a post-settlement unified economy and fiscal federal system and, second, to look into economic impacts and opportunities, including the costing of a property settlement and financing options and tools. It will be important for the sides to balance, with the assistance of the international financial institutions, economic discipline with politically palatable provisions. Several policy decisions in this area remain outstanding. In order to coordinate this wide-ranging work, my Special Adviser and his team chair regular detailed discussions via videoconference with the relevant institutions providing support to the talks.

20. Following the establishment in 2015 of a legal expert group on the drafting of federal laws for a post-settlement Cyprus, the sides agreed to set up additional working groups on specific legal matters. These relate to the drafting of a federal constitution, the functioning of the federal and constituent State judiciary and the international treaty obligations of a united Cyprus. While this development is positive, some working groups have not commenced their activities.

21. As a demonstration of their commitment to engage jointly with the public and civil society, the leaders have made during the reporting period several joint public appearances at events and social gatherings, including by addressing an event organized by the Cyprus Academic Dialogue on 13 June. For the first time, the two

leaders also appeared jointly on stage at the annual meeting of the World Economic Forum held in Davos, in January, outlining their vision for a united Cyprus.

22. Long-established technical committees, as well as those formed more recently by the leaders, have continued to meet and to work on various initiatives. For example, the Technical Committee on Education, established in November 2015, organized a series of events, including an open day held on 2 June 2016 to mark the International Children's Day, which brought together more than 100 school children from across the divide and was attended by the leaders. In addition, a bicommunal concert of classical music performed by young musicians from both communities was organized on 5 May under the auspices of the Committee on Culture. The spouses of the leaders of both communities attended the event.

23. The Committee on Gender Equality, established by the leaders in May 2015, met on various occasions and was involved in a series of events organized to raise awareness of the importance of the involvement of women in the peace process, on the basis of Security Council resolution 1325 (2000). The Committee has also been working to provide input on issues that would need to be borne in mind by the sides from a gender perspective in the framework of the settlement.

24. My Special Adviser has continued frequent contacts with international partners and relevant regional players, including the three guarantor powers, Greece, Turkey and the United Kingdom of Great Britain and Northern Ireland. He held meetings with various senior officials at the political level, both in Cyprus and on the sidelines of a number of international events. Following his official visit to Turkey in December 2015, he continued with official visits to Greece and to the United Kingdom in January 2016, and to France in April 2016. In his discussions with international interlocutors, my Special Adviser has consistently emphasized the importance of sustained international support to the negotiations.

25. Acknowledging the positive momentum surrounding the negotiations, and in support of the process, I have consistently kept the resolution of the Cyprus question high on the agenda of the United Nations, as well as on the agenda of key regional and international leaders. I have held discussions on the Cyprus question with various Heads of State and senior officials, including from Turkey, Greece and the United States of America.

IV. Observations

26. The talks between the Greek Cypriot leader and the Turkish Cypriot leader have now been ongoing for more than a year. During that time, the leaders have maintained their commitment to the process, as demonstrated by their personal engagement and by the steady pace at which the negotiations have been proceeding at all levels.

27. I welcome the leaders' statement of 15 May 2016 in which they underlined their commitment to intensify their efforts in the coming months with the aim of reaching a comprehensive settlement agreement in 2016.

28. I am encouraged by the determination and political will that have been displayed by the leaders, as well as the substantial efforts of their negotiators and negotiating teams, in the course of the reporting period. The leaders have repeatedly shown that, while each negotiates in the interests of his own community, they are

also able to take into consideration the concerns of the other community in order to reach a settlement that meets the best interests of all citizens of a future, united Cyprus.

29. While the ability and willingness of the leaders to reach mutual understandings have been a positive development, it has also proved difficult at times to translate such understandings into more detailed provisions and convergences on specific issues. I am therefore encouraged by the decision of the leaders to intensify their ongoing direct negotiations, as well as to continue to provide detailed guidance to their negotiators, in order to actively find solutions to long-standing divergences.

30. Among the challenges associated with the peace process are the necessary preparations for the implementation of a settlement, particularly in areas such as preparations for the extension of the euro currency to the future Turkish Cypriot constituent State and, more broadly, for the implementation of the European Union acquis. I welcome the important work carried out in the framework of the Bicommunal Ad Hoc Committee on European Union Preparation and note the crucial support provided in that respect by the European Commission. I urge the sides to maintain their efforts to ensure that all necessary measures are taken in a timely manner to make a smooth and successful transition possible following the settlement agreement.

31. I note positively the commitment of the international financial institutions and relevant European Union bodies to support the sides on economic aspects of the talks. The close cooperation among the international financial institutions under the auspices of my good offices has been commendable. Technical assistance and support for the negotiations by the European Commission, the European Central Bank, the International Monetary Fund and the World Bank will now need to be utilized by the leaders and negotiating teams to design jointly an economically sustainable agreement that maximizes an expected peace dividend. An important and sensitive period lies ahead, as the institutions working in support of my team in Cyprus complete diagnostic work on the current economic situation in both communities, and conclusions and policy recommendations are formulated and communicated to the two leaders and their teams.

32. Additionally, although both sides have increased their staffing in the many expert groups on economic matters in the talks, progress remains somewhat slow. I urge the two leaders to incorporate the advice and best practice guidance into their discussions in order to better structure the post-settlement federal system. It is now of critical importance to incorporate this work into the talks to ensure that policy choices are made that will lead to an economically and fiscally viable post-settlement Cyprus. My Special Adviser and his team continue to engage in a substantial coordination effort to assist the sides in translating external economic advice into viable and politically palatable settlement provisions.

33. I note the importance of the work that also needs to be conducted on legal matters. I welcome the decision of the leaders to set up various expert working groups to deal with specific legal issues. I strongly encourage the two sides to move forward with these important expert-level discussions, in particular those on constitution drafting, and reiterate that my Special Adviser and his team stand ready to facilitate and support this work with expert advice.

34. Despite full recognition by the leaders that the work in such areas as economic aspects of the talks and preparations for the implementation of a settlement, including preparing the future Turkish Cypriot Constituent State for the implementation of the European Union acquis upon entry into force of the settlement agreement, is critical and necessary, I note that the sides have at times allowed progress to be held up by procedural considerations. I urge them to overcome such hurdles in future to allow this important work to move forward speedily and without unnecessary delays.

35. The agreement of the leaders to establish the Committee on Gender Equality in May 2015 constituted a positive step towards increasing the participation of women and the inclusion of a gender perspective in the negotiations. I encourage both sides to support the work of the Committee and to do their utmost to ensure that a gender perspective is further mainstreamed and taken into greater consideration in the talks.

36. In line with the leaders' stated aim to intensify efforts to reach a comprehensive settlement in 2016, it is imperative not to delay efforts to prepare both communities for the eventuality of a settlement. Therefore, given the growing importance of informing the public about the process, I encourage the leaders to strengthen their efforts to communicate jointly to the public through coordinated messaging.

37. The settlement talks continue to take place against the backdrop of an ever increasingly turbulent region, posing daunting challenges well beyond the region itself, as shown by the growing terrorist threats and the refugee and migration crisis in Europe. There has been wide recognition within the international community that a solution to the Cyprus problem would also have a positive effect from a regional perspective, both politically and economically. In this context, it is vital that the guarantor powers, Greece, Turkey and the United Kingdom, remain committed to supporting the ongoing efforts of the leaders to reach a comprehensive settlement as soon as possible.

38. In the light of their agreement to begin discussions on issues related to planning for the implementation of the settlement, including the possible challenges and the necessary preparations that will be required in various areas of the agreement, I urge the leaders to engage in earnest on all aspects of this important workstream. It is also important that this work be conducted in coordination and cooperation with the ongoing planning carried out by the United Nations.

39. My good offices mission has maintained close coordination with the United Nations Peacekeeping Force in Cyprus (UNFICYP) as the latter pursued its planning in relation to a settlement, as requested by the Security Council, most recently in its resolution 2263 (2016). This planning will continue to be guided by developments in the negotiations and the views of the sides on a possible role of the United Nations in support of the implementation of the settlement.

40. The process continues to enjoy the steadfast support of the United Nations through the two missions and through the work of entities, such as the United Nations Development Programme, and that of the third member of the Committee on Missing Persons. The unity of purpose of such support is demonstrated in particular by the close synergy displayed in the work of my mission of good offices and UNFICYP, which is also ensured through the role that the Special Representative and Head of UNFICYP plays as my Deputy Special Adviser.

Furthermore, as stated in my previous report, the Office of the Special Adviser counts on the administrative and logistical support of UNFICYP, which is key to the smooth conduct of meetings between the sides, including those of the technical committees, the work of eight of which UNFICYP currently facilitates.

41. The Office of the Special Adviser is a small mission. The sharp increase in requirements resulting from the intensification of the talks, in particular the quasi-daily meetings of the sides at the political or technical level since mid-2015, has put considerable strain on its capacity. I therefore intend to strengthen it with additional resources through the appropriate budgetary bodies.

V. Conclusions

42. Over the course of a year of talks, the current Greek Cypriot and Turkish Cypriot leaders have made clear progress on a wide range of issues in the negotiations. At the same time, undoubtedly, there is still much work that remains ahead.

43. In particular, as they tackle key outstanding issues, I call on the leaders to do their utmost to translate the significant mutual understandings they have reached in the course of the year of negotiations into concrete convergences. To achieve this, they will need to sustain their ongoing dedication and leadership, as well as a structured approach that would allow them to conclude deliberations on the issues that they have identified for the intensified phase.

44. The commitment expressed by the leaders in their statement of 15 May 2016 to intensifying efforts is a clear indication that, while the United Nations has no timelines for the process, the sides recognize that there is a unique opportunity for these negotiations to reach a positive conclusion. I strongly urge the leaders and their teams to use the coming weeks and their ongoing intensified work to make further progress as promptly as possible. This is all the more critical if they are to grasp the opportunity to move closer to their stated aim of reaching an agreement in 2016.

45. While the task at hand remains significant, the momentum and overall circumstances surrounding the process are such that they present a real, yet fleeting and fragile, historic opportunity for the sides to bring the process to a successful outcome. I remain convinced that a mutually acceptable solution to this long-standing issue can be found and that it is, today more than ever, within reach. This, however, will require both sides to act with determination, to take timely and courageous decisions and, most importantly, to look beyond the immediate present as they work together to build a common future for the island, where all Cypriots will be able to prosper in peace and mutual respect.

46. I would like to express my sincere thanks to Lisa Buttenheim, who concluded her service as my Special Representative and Deputy Special Adviser in Cyprus on 10 June 2016. Ms. Buttenheim was replaced by Elizabeth Spehar, who arrived on the island in June 2016 to assume her duties as my Special Representative and Head of Mission, as well as Deputy Special Adviser.

47. In conclusion, I wish to thank my Special Adviser, Espen Barth Eide, and the personnel serving in my good offices mission in Cyprus for the dedication and commitment with which they have discharged the responsibilities entrusted to them by the Security Council.